

# Weekly Market News

31st March - 4th April 2025

**Trump's tariffs have lowered bunker prices. Steve Christy recently asked:**

Could a global recession dent trade and lower prices further?

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UPDATE



## EU weighs ISCC-EU certification suspension for biofuels

The European Commission is considering a 2.5-year **suspension of ISCC-EU certification** for waste-based biofuels, sparking backlash from the International Sustainability & Carbon Certification (ISCC) system, which called the move “ad hoc and immature”.

This could disrupt the waste-based biofuels market, the ISCC said. The potential suspension could deal a huge blow to the biofuels market, and it's not clear what would replace it, one shipping company told ENGINE. Last Friday, EU energy spokesperson Anna-Kaisa Itkonen confirmed that the Committee on Sustainability of Biofuels, Bioliquids, and Biomass Fuels met in Brussels on Wednesday last week to discuss fraud prevention, certification standards and biofuels promotion. She added that no decisions had been made yet, and the Commission could not confirm any potential scenarios of what might play out.

## EcoCeres and partners deliver first HVO stem in Singapore

Renewable fuel producer EcoCeres partnered with energy trading firm Mitsui & Co. Energy Trading to deliver 400 mt of **hydrotreated vegetable oil (HVO)**-based biofuel to a cruise ship in Singapore. This operation marked EcoCeres' first HVO delivery in the port.

The delivery was carried out by an IMO Type II chemical tanker owned by Global Energy, and the product was derived “exclusively from pure waste materials,” EcoCeres said.

HVO has several similar fuel properties to gasoil, and is often considered a drop-in fuel for ships as they need minimum modifications to run on it. As HVO is hydrotreated, it is costly to produce and less common for bunkering than fatty acid methyl ester (FAME) biofuels.

## Varo acquires Swedish marine fuels producer

Swiss energy firm Varo Energy has acquired Swedish refiner and marine fuels producer Preem in an all-cash transaction. The acquisition will give Varo access to Preem's two major fuel production facilities in Sweden's **Lysekil** and **Gothenburg**. These facilities have a combined capacity of 352,000 b/d, “which equates to 80% of Sweden's refining capacity, and the ability to co-process renewable feedstock,” Varo said. The deal will add an estimated 1.3 million mt/year of renewable fuel production for Varo. With these refinery additions, Varo is expected to become Europe's “second largest renewable fuel producer and the top producer in Sweden,” it said. After completing the acquisition, Varo will have a total conventional fuel production capacity of about 530,000 b/d, with access to operate over 120 supply terminals, it said.

## MEPC 83: What's at stake if consensus fails?

The IMO's Marine Environment Protection Committee convenes next week (MEPC 83), and the stakes could not be higher. The regulator is under intense pressure to finalise measures that will drive shipping toward its net-zero emissions goal and interim targets. The majority of ratifying countries support a **Global Fuel Standard (GFS)** as a proposed technical measure, and a universal **greenhouse gas (GHG) levy** as the economic one. If no deal is reached, the IMO could be under pressure to adopt the GFS alone while delaying the levy - undermining both the impact and credibility of the measures, said Philippos Philis, chief executive of bulk shipping firm Lemissoler Group. According to UCL Energy Institute's Shipping and Oceans Research Group, opting for a GFS without a levy could slash the IMO's revenue potential by up to 75% compared to even the lowest levy scenario and encourage reliance on LNG and unsustainable biofuels - “leaving the sector with no option but to pay to pollute.”



## Avenir LNG to fuel bunker vessel with LBM this year

Bunker supplier Avenir LNG will run one of its LNG bunker vessels on 100% **liquefied biomethane (LBM)** from 1 April until the end of the year. Avenir offers physical deliveries of LNG and LBM across northwest Europe.

“The majority of customers are ferries, container vessels and product tankers in Scandinavia and the Baltic Sea region,” it said. In January, Norwegian tanker operator Stolt-Nielsen acquired a 94.37% controlling stake in Avenir.



## Spanish e-methanol producer to target bunker demand

Spanish firm Forestal de Atlántico plans to build a 40,000 mt/year **e-methanol production plant** in Galicia, Spain, to serve bunkering and other sectors. “Located in Northwest coast of Spain, TKL [Triskelion Plant] is the nearest stop for the ARA route from south in connection with the Houston route,” it said. E-methanol is produced using 100% biogenic CO2 and green hydrogen. The plant will use wind and hydroelectric power as renewable energy inputs.

### Methanol-capable vessel orders in March

12

### Methanol-capable vessel orders in February

0

## Methanol makes a strong comeback in March – DNV

Methanol-capable vessel market has been “bouncing back from a quiet winter”, with 12 vessels ordered in March. That was up from zero vessel orders in February, DNV’s senior consultant Kristian Hammer said. “Notably, this [12 orders] has a diverse spread, with ordering segments including tankers (4), car carriers (3), cruise (3), bulk carrier (1), and offshore vessels (1),” Hammer added. There are now 55 methanol-capable vessels in operation and another 348 on order, with deliveries scheduled through 2030, according to DNV’s database.

The March orderbook totalled 25 vessels. In addition to methanol, it included orders for other fuels such as LNG (7), LPG (4) and ammonia (2). Currently, LNG dominates the alternative fuel-capable vessel fleet, with 690 vessels already in operation and another 644 on order for delivery through 2033. Three ammonia-capable vessels are currently in operation, and two more were ordered in March, bringing the total order tally to 33.

## Weekly Brent developments

Front-month ICE Brent has tailed off after the US announced a barrage of tariffs against all of its trading partners. The futures contract is **down by more than 4%** on the week.

### Downward pressure:

Oil prices came under heavy pressure after US President Donald Trump announced a 10% baseline tariffs on all countries exporting goods to the US from 5 April, and tariff rates of several times that on other countries. A global trade war could ensue as countries plan retaliatory tariffs. Several economists warn that this could tip the world into a recession.

Commercial US crude oil stocks increased by 6.2 million bbls to 440 million bbls in the week that ended on 28 March, according to the US Energy Information Administration.

### Upward pressure:

Trump has intensified pressure on Iran to abandon its pursuit of nuclear weapons. He also criticised Russian President Vladimir Putin’s latest remarks on Ukrainian counterpart Volodymyr Zelenskyy’s legitimacy in running the country and threatened to further curb Moscow’s oil exports. “For now, it appears to be just a threat to Russia and Iran,” two analysts from ING Bank said. “However, if it becomes a reality, it creates plenty of upside risk to the market given the significant oil export volumes from both countries,” they added.

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